

THE BELEN NEWS

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FOR WHAT HON. HUBBELL SHOULD BE ELECTED.

The Morning Journal who has become the most active Sheet that ever was issued in the State of New Mexico, and who by the way belongs to all political parties, defies the friends of Mr. Frank A. Hubbell to give some reasons why he should be elected to the U. S. Senate.

In the first place we want to be also inquisitive and ask the Quidam who is making such inquiries, to explain to us and to all voters of New Mexico. What is the true motive that led him to attacks the character of Hon. Frank A. Hubbell?

Is it because of the worm love he bears to New Mexico and its people? Or is it for the greed of the Mighty Dollar? Or is he actuated by envy or spite?

Now Mr. Journal you ought to know that Mr. Frank A. Hubbell has done and is actually doing for the good of New Mexico and its people, a million times more than the Journal and the whole bunch of Adversaries who come to this part of the Country.

Is it not a fact that Mr. Frank A. Hubbell is paying more taxes than all the gang of Office seekers and Political Tricksters put together? Is he not really helping the Schools with his money, while other Characters are only boasting of their Clean Records? Which Records are nothing else that the cleaning of the Public Money attached to the office they can get hold of, and when they have accumulated plenty of it, they take French leave and go elsewhere?

Mr. Hubbell is actually helping out and feeding thousand of poor families with his money, while others, which we may designate as "Birds of passage" are trying to run our people out of their homes by grabbing all the Public Domains.

Now Mr. Journal let us be honest and fair and favor us with answers to these questions?

What is the Journal doing to help our State and its people?

What is the silvertongued A. A. Jones, who wants to be United States Senator, doing for New Mexico?

What have some of the "Un-terrified" (as you call them), who are running for office, ever

done for the prosperity and progress of our commonwealth?

We must finally warn you, that you and the "Political Mixture" "Santa Fe New Mexican" are attacking two of the great benefactors the people of New Mexico have in their midst. These two great and Patriotic men are Hons. Frank A. Hubbell and Holm O. Bursum. (Subscribed) Friends of Progress and Fair Play.

Los Lunas, N. M. Oct. 7, 1916,

IF ELECTION WERE OVER?

While Democrats Are Admittedly the Champion Question Fiends, It Is Believed This Quiz Is Unanswerable as Their Most Childlike Effort.

If election day were past would President Wilson make so little of the principle of arbitration in industrial disputes? Would he be so sure that it is more important to preserve peace, when a great strike is threatened, than it is to make judicial methods rather than force the means of settling differences between capital and labor?

If election day had come and gone would Mr. Wilson keep the national guardmen of the country in camp on the ground that they may be needed to protect the United States against Mexico? Would there be months of inaction and indecision in which no use is made of a large body of citizen soldiers? Would they not be allowed to go home or else be set in motion to make Mexico as safe a neighbor as the Administration seems to think that it is already?

If election day were past would the President drive through Congress a bill like the shipping bill which is intended to embark the federal government upon a new venture in a hazardous field and use \$50,000,000 of the people's money to buy tonnage held above its normal value or else so owned that it cannot be used without peril of international complications? Is sound public policy behind such a measure or only campaign politics?

If election day were past would the President would Woodrow Wilson use so many high and mighty words in international notes and do so little to make them mean anything practical? Would his deeds lag so far behind his phrases?—Cleveland Leader.

"HE DIDN'T DO RIGHT"

Independent Voters Turning This Conviction Over and Over in Their Minds and It Will Cost Mr. Wilson Many a Vote.

A Democrat who never voted for a Republican candidate for President except in 1872, when he was forced by the lack of a Democratic nominee to cast his ballot for Horace Groveland, says: "I expect to vote for Woodrow Wilson, but I don't like his course in the railroad dispute. He didn't do right."

The railroad controversy has introduced a moral issue into the campaign. Mr. Wilson sacrificed principle to expediency, or what he judged to be expediency, when he tamely surrendered to the demands of the train-service brotherhoods.

He put his own personal and party need before the public good. He angled for votes. He aimed a body blow at the tried and tested arbitration method of settling differences.

"God help you; I cannot," he is said to have exclaimed to the railroad managers, who do not poll as many votes as their employees. But he could have helped them if he had stood impartially between them and the utterly reckless train-service representatives who were bent on their rule-or-ruin programme.

"He didn't do right." The consciousness of that fact is sinking deep into the American mind.

"He didn't do right." That widespread conviction will cost him thousands of votes on election day.

"He didn't do right." He preferred the weak, the timid, attitude of the born compromiser.

The American people like courage. They like convictions. They like a man who has the courage of his convictions. They like a man who is willing to risk consequences for the sake of a just cause.

It was an unjust cause in which Woodrow Wilson enlisted when he accepted the brotherhood view that the chief item in their demands could not be arbitrated.—Providence Journal.

THE WRECK OF THE FIRST STATE BANK

THE TRAGIC STORY OF THE ILL-FATED BANKING INSTITUTION IN LAS CRUCES, NEW MEXICO, WHICH TOOK WITH IT TO RUIN THE MONEY OF NEAR SIX HUNDRED INNOCENT DEPOSITORS WHO TRUSTED THE McDONALD DEMOCRATIC STATE ADMINISTRATION AND WHO WAITED IN VAIN FOR OFFICIAL HELP OR A WORD OF WARNING.

SACRED STATE SCHOOL FUNDS USED FOR PAYMENT OF DEMOCRATIC POLITICAL DEBTS

An Accurate Statement From the Public Records of New Mexico Concerning the Darkest Chapter in the History of Banking in This State and of Public Administration of Banking Regulation; With Verbatim Quotations From the Testimony Given Under Oath by Officials of the McDonald Administration.

THE First State Bank of Las Cruces failed December 8, 1914, with a crash felt all through the state. The bank had been looted by the president, T. R. H. Smith, and his cronies, of something in excess of \$145,000.

The failure left a trail of misery and indignation in the Mesilla valley and it all but "broke" the New Mexico State College of Agriculture and Mechanic Arts, funds of which were deposited there.

Governor W. C. McDonald and his appointee, Howell Ernest, state traveling auditor and bank examiner, had known for months that the bank was insolvent. They had known that T. R. H. Smith, his family and friends were appropriating the bank's money and giving worthless notes as security.

The governor and his banking department sat by permitting the daily loss of savings of struggling householders, farmers, widows and children to be confiscated month after month until there was nothing left to grab and the grim travesty on banking came to an end.

Governor McDonald did not so much as lift a finger to save the nearly 600 innocent depositors of the First State Bank from exploitation and ruin. Although he knew nearly a year before the crash that the bank was busted, the governor did not take a single step to protect the funds of the State Agricultural College, of which public institution he, by virtue of being chief executive, was ex-officio a regent and the head.

From Governor McDonald and his subordinate, the state bank examiner, to whom they had the right to look for protection against bank looters, the 600 men, women and children who were depositors of the First State Bank got nothing but cruel neglect and indifference. Many of them were poor ranchers and wage-earners. Ninety-four of them were women. Any number were "wiped out" by the bank failure; all the money they had in the world was gone.

Nor did Governor McDonald give any more consideration to the fate of the State College funds. That money, belonging to the young people of the state of New Mexico for their education in agriculture and the practical arts, went with the rest into the clutches of the Smith family. The governor did not interfere, nor did his appointees, the bank examiner.

Nothing was done by Governor McDonald except that, perhaps in grateful remembrance of the First State Bank's contribution to his party's campaign fund in 1911, he permitted T. R. H. Smith to continue his ruthless bank wrecking. The First State Bank of Las Cruces financed the Democratic Pro-McDonald campaign in Dona Ana county in 1911, later paying itself back—with interest from the State College funds.

In October, 1913, the capital of the First State Bank was impaired to the extent of 85 per cent. The institution was virtually insolvent. On top of that, its president had deceived the state banking department and had been indicted on an embezzlement charge. Bank Examiner Ernest knew this. Governor McDonald knew it, too. Ernest said he kept the governor fully informed about the bank. It is so stated clearly in the sworn public record.

By January, 1914, the impairment of the bank's capital had mounted to 150 per cent. Bank Examiner Ernest stated that a bank so impaired was insolvent.

Governor McDonald could not help knowing the condition of the bank then—nearly a year before the final crash—because he and Ernest went to Las Cruces in January, 1914, and investigated. The bank was drenched with worthless notes. The bank examiner said so at the time. Yet neither he nor the governor moved to close the institution. After the governor had meandered down to Las Cruces that time and learned all over again that the First State Bank was insolvent, he went back to Santa Fe and did nothing. Touched by this indication that the state authorities would not interfere with them, T. R. H. Smith and his gangsters in questionable finance gobbled more and more of the bank's assets—then the inevitable collapse.

If it is a matter of Public Record,

it is set out in detail in the report of the joint legislative committee appointed to investigate the Las Cruces bank failure and the affairs of the State College. This public record proves that Governor McDonald knew, all the time, it shows that the persons who looted the bank and grabbed the money of the state and the people of the Mesilla valley were Governor McDonald's political retainers.

To go back a bit into the story of this amazing fraud which McDonald's administration allowed to be perpetrated:

T. R. H. Smith went to Las Cruces and established the First State Bank. He was the president and chief stockholder. There was jugglery of money between Smith's bank and the First State Bank of Tucumcari. The Tucumcari bank failed and in connection therewith T. R. H. Smith was indicted by the grand jury at Tucumcari on a charge of embezzlement and conspiracy to embezzle.

In that Tucumcari failure and the indictment, Governor McDonald's state banking department found out what manner of man was T. R. H. Smith. Not that the bank examiner or the governor utilized this information to safeguard the funds of the State College and the people of Las Cruces, but they had it. It is shown in the public record.

They knew the Smith Record.

According to the testimony of L. B. Wooters, assistant traveling auditor and bank examiner, he learned in October, 1913, that T. R. H. Smith had lied when he wrote about the transaction between the Las Cruces bank and the Tucumcari bank. He found the proof of Smith's deception in the letter files of the Tucumcari bank after the failure. Here it is from the public record, (page 201):

Question: "Was that the first time that you realized that Smith was trying to deceive the auditor's office?"

Answer (by Wooters): "Well, I found those things out when I was down there. I learned that before I saw those letters."

Q. "Whereabouts?"

A. "When I was examining the First State Bank of Las Cruces in October."

This was in October, 1913. It will be remembered, Assistant Examiner Wooters not only got the hunch then that Smith's word was not to be trusted, but he found that the capital of the Las Cruces bank had been impaired to the extent of 85 per cent. Thus the bank was virtually insolvent. The governor and his traveling auditor did nothing.

Q. "You found out the balance was not correct?"

A. "Yes, sir; he reported the wrong balance."

Q. "Well, it was in connection with this transaction then, was the first time you learned Smith was trying to deceive the traveling auditor's office, or did you know it before?"

A. "That is the first concrete evidence I had of it."

Q. "That was enough?"

A. "Yes, sir."

Enough evidence that Smith had deceived state officials? And this was the man they allowed to continue at shady practices until he had sopped up all the money in the First State Bank.

Q. "Now then, immediately after, or in a short time after that, you began making certain investigations regarding Mr. Smith's former career, did you not?"

A. "Yes, sir."

Q. "What was the result of that investigation?"

A. "Well, I received various letters in regard to him. I was inquiring into his financial worth, former connections."

Q. "General moral standing, etc?"

A. "Everything."

Q. "And from the letters you received, what did you determine as to his financial standing?"

A. "Well, in my opinion I didn't have a very high regard for his financial condition after I had received those letters."

Q. "And what opinion did you have of him as to his former banking connections after receiving those letters?"

At "undesirable" banker? Unfortunately people of Las Cruces—the people of the state—didn't find that out until December, 1914, when they paid at bareh terms for the knowledge. But the state bank examiner knew it in October, 1913. So did Governor McDonald.

It is stated by Howell Ernest, Governor McDonald's traveling auditor and banker examiner, in the public record, that his assistant conducted those investigations which threw undesirable sidelights on the career of Banker Smith at his, Ernest's, suggestion. It is also stated by Ernest that Governor McDonald was as fully informed as he about the condition of the Las Cruces bank.

In addition to all the other information which advised the McDonald administration officials at that time as to T. R. H. Smith's unenviable reputation, Mr. Ernest's office unearthed a letter written in 1911 which gave Banker Smith the following send-off (pages 327 and 328, public record):

"Treasury Department, Office of the Comptroller of the Currency, El Paso, May 20, 1911. C. V. Safford, Territorial Bank Examiner, Santa Fe, New Mexico. Dear Sir:—The following is for your information and is sent you at the request of the state bank examiner of Texas. I quote part of his letter verbatim: 'About a year ago President T. R. H. Smith organized the German-American Bank of Gainesville, and turned up short about \$13,000. So far as I could find out the grand jury or that place failed to do anything, etc., and I was advised yesterday that he had located in Las Cruces, New Mexico. You will likely find some El Paso parties are backing him and he uses the name of R. P. Head and his brothers to seek the bank with paper. I hope the above may be of service to you.'"

"Respectfully,

R. D. Examiner."

Governor McDonald and his appointee, Ernest, certainly cannot complain that they had no intimacies, before the Las Cruces disaster, of the kind of banker that Smith was. Fate literally poured tips about him into their hands.

When the Bank Began to Fail.

At that time Wooters, the deputy traveling auditor and bank examiner, judged that the capital stock of the Las Cruces bank was impaired 85 per cent. Knowing that, and having the information they had about Smith, it seems incredible that Governor McDonald and his traveling auditor did not then and there close the institution, thereby putting a stop to the plunderings of the Smith gang and saving the 600 depositors and the State Agricultural College from further loss.

Governor McDonald knew the rotten condition of the First State Bank, as witness this from Wooters's testimony (page 205 of the public record):

Question: "Now then, you examined his (Smith's) bank in October, 1913, didn't you?"

Answer: "I did; yes, sir."

Q. "At that time you found that the capital stock was impaired at least over 80 per cent?"

A. "That was my estimate on it; yes, sir."

Q. "AND YOU SO REPORTED TO THE GOVERNOR?"

A. "YES, SIR."

For the governor of a state and the executive head of a state bank auditing department to do nothing—also, nothing—to stop this betrayal of the state and its people at Las Cruces seems nothing short of criminal. And the governor and his traveling auditor did absolutely nothing to stop it. Banker Smith had contributed to the McDonald party's campaign fund. He was not molested. What became of the money deposited in Smith's bank by citizens and the State College apparently did not worry His Excellency.

Meantime, unhindered, Banker Smith proceeded to boost the impairment of the First State Bank to 150 per cent. Those were the good old days for Smith and Governor McDonald's Democratic henchmen in Las Cruces. All the money the bank could get its fangs on went to Smith and the "inside gang" of Democrats to do with as they pleased.

The Lucky Mr. Llewellyn.

Morgan O' Llewellyn, Governor McDonald's appointee as secretary-treasurer of the State College of Agriculture and Mechanic Arts, was one of the leading beneficiaries of Banker Smith's prodigality with the state's and other people's money. Llewellyn borrowed \$13,000 from the bank without security. Also he got \$50 a month as the bank's attorney. Unlimited borrowing opportunity and the \$50 retainer were privileges awarded him for putting the State College funds where Smith could get a whack at them.

Mr. Llewellyn began depositing State College money in the First State Bank in July, 1912. Contrary to the law, the college got no interest. The interest money went to pay Llewellyn's salary as attorney for the bank and to FINANCE GOVERNOR McDONALD'S FRIENDS OF THE DEMOCRATIC MACHINE IN DONA ANA COUNTY. Read this from the public record (page 21):

Question: "Mr. Llewellyn, I hand you a note signed by you, T. R. H. Smith, J. H. Paxton, and who is the other party, Mr. Clark?"

Vote for Holm O. Bursum, for Governor of the State.

ROMERO DECLARES DE BACA IS UNFIT TO BE GOVERNOR OF NEW MEXICO

SAN MIGUEL COUNTY LEADER, ON STUMP IN GUADALUPE COUNTY, RELATES AMAZING INCIDENT SHOWING CHARACTER OF DEMOCRATIC CANDIDATES.

ASSERTS HE ATTEMPTED TO SHOOT HIS OWN BROTHER

Man Who Democrats Have Sought to Brand as "Sore," Makes Ringing Campaign for Bursum and Whole Republican Ticket.

(By Guthrie Smith.)

Albuquerque, N. M., Oct. 5.—Guadalupe county was not to be outdone by other counties in the matter of interest shown by its citizens in the addresses made by the members of the Republican campaign party, which has closed the tour of that county. In addition to the candidates for the three principal offices, H. O. Bursum for governor, Frank A. Hubbell for the United States senate and Benigno C. Hernandez for representative in congress, the party was joined at Las Vegas by Secundino Romero, who sought the nomination for governor, and O. A. Larrazola, who developed a strong following in the convention for the nomination for justice of the supreme court, though he declared to the end that he was no more than a receptive candidate.

Whether the meetings were held in the morning or afternoon, in the busy part of the harvest season, or prolonged until 1:30 in the morning, the voters were present in large numbers, often accompanied by their wives, sisters and daughters, and they remained close listeners until the close of the meeting. From Anton Chico on the one side, clear over to Fort Sumner in the southeastern corner, the people wanted to see the candidates and to hear a full expression of the policies and principles for which the candidates are standing.

Romero Leader of Campaign Party.

The feature of the swing through Guadalupe county which perhaps surprised many people—particularly of the opposition—more than any other, was the attitude of Secundino Romero, who made a most vigorous campaign for the nomination for governor. In the state convention, held at Santa Fe on August 23 and 24, Romero showed his unswerving allegiance to the party and the bigness of his heart, in the speech which he made immediately after the vote was announced showing Bursum the winner. The San Miguel delegation occupied front seats, to the left of the platform. Romero was on his feet the moment the vote was announced and walked down to the center of the auditorium, directly in front of the platform. With all the feeling that he could put into voice and gesture, he declared that he had no fault to find with the selection of the convention, that Bursum remained his good friend, and that he would support the ticket faithfully and earnestly. He had told me nearly a month before that the ticket of the convention would be his ticket, that it would receive his whole support.

But notwithstanding his published interview, and his many speech in the convention, which also was given to the press, there was a most persistent effort made to convince the general public that he was "sore," and would deliberately plunge the knife right through the heart of the ticket.

Backs Ticket Strongly.

At every one of the six meetings held in Guadalupe county he made speeches in which he made a strong plea for support of the Republican ticket, national and state. His endorsement of Bursum was especially powerful. Declaring that he was perfectly contented with the will of the convention, he declared that Bursum is admirably fitted for the most important duties of governor, in that he is big hearted, level headed, of the strictest integrity and better informed than any other man as to the needs of the state. He also spoke in the highest terms of Frank A. Hubbell, who, as one of the biggest business men in the southwest, would ably represent New Mexico in the senate, and of Benigno C. Hernandez, who has been capable and alert in serving the best interests of the people in the lower house of congress.

However, he did not stop with an endorsement of his own ticket. He pointed out what he declared to be a glaring fault or weakness in F. C. de Baca, who has been named by the Democratic party for the work of chief executive.

"Mr. de Baca is temperamentally unfitted for the work of the high office to which he aspires," declared Romero, as he spoke in Spanish to the people. "He is vindictive and revengeful to an alarming extent and is likely to resort to dangerous and extreme methods when he is provoked."

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